NEWFOUNDLAND MINERAL PRODUCTION

Prepared by: Dept. of Mines & Energy
Mineral Economics Section
October 31, 1990

Mineral Production

The total value of mineral production for 1988 as determined by Energy, Mines and Resources was approximately $864 million. This included $696 million for iron ore and $168 million for other minerals.

The preliminary value of production for 1989 is $963 million, including $788 million for iron ore and $175 million for other products. This is the highest value for iron ore since 1984.

The total value increase in 1989's production represents an overall increase of approximately 11 percent over 1988.

Nonmetals, including asbestos, gypsum, fluorspar, dolomite, silica, pyrophyllite and peat, and structural materials (including brick, cement, stone, and sand and gravel) totalled about $78 million in 1989 compared to about $75 in 1988. The increase here primarily represents improvements in sales of asbestos and gypsum.

For 1990, it is likely that the total value of mineral production will increase slightly to just over $1 billion, which will be the highest production value achieved in the mineral industry since 1981. The value of iron ore is expected to increase by 9%. As well, increases in the value of production for gold, dolomite, and gypsum are projected. The only negative occurrences projected in 1990 is the closure of Nfld. Zinc Mines and the likely closure of Baie Verte Mines Inc. Nfld. Zinc closed in August.

Mineral Prices

Except for precious metals, just about everything has been on an upward trend in the last year. Over the past year, gold has dropped from $410 U.S. in January to $389 U.S. in September of this year; silver has fallen from $5.25 U.S. to $4.80 U.S. during the same period. However, iron ore prices for pellets have increased approximately 15% since January, 1990 while concentrate prices have followed the same trend and have increased by approximately 9%.

PRODUCING MINES

Iron Ore Company of Canada

IOCC's Carol Project is the largest iron ore mine in the province. It was placed into operation during the period of 1960-62. In the summer of 1961, a decision was made to build a pelletizing plant adjacent to the concentrator. The plant began operations in 1963. Today, the operation has the capacity to produce 16.8 million tonnes of concentrate of which 9.8 million tonnes can be made into pellets leaving approximately 7.0 million tonnes of concentrate for sale. The Carol Project at present employs about 1,900 people.

Wabush Mines

Wabush Mines is the second open pit iron ore mine in the province. It started pellet production in 1965 by using Wabush concentrate at the Point Noire pelletizing plant.

It is a joint venture between Steel Company of Canada (Stelco), Dominion Foundries and Steel (Dofasco) and Wabush Iron Company Ltd. Wabush Iron has controlling interest.

The mine operates on a year-round basis and has the capacity to produce 6 million tonnes of pellets per year. Approximately 570 people are employed by the operation.

Newfoundland Zinc Mines Limited

Newfoundland Zinc Mines Ltd., owned and operated by Teck Corporation and Amax Inc., operated the zinc mine at Daniel's Harbour until August, 1990 when it closed due to exhaustion of ore reserves. During operations the ore was concentrated and trucked to Hawkes Bay for storage and shipping. The mill capacity was 500,000 tonnes per year and the operation employed 150 people.

Hope Brook Gold Inc.

The BP Selco gold discovery at Hope Brook was made in November, 1983. BP Canada formed Hope Brook Gold Inc. in mid-1986 to proceed with the development and operation of the Hope Brook Gold mine. Capital cost of the project was $162.7 million. This includes site construction, mine and mill equipment and dock facilities.

As of December, 1989 total proven and probable reserves were 11,237,000 tons grading 0.112 ozs/ton. These reserves are sufficient for nine years of production.

The operation has a production capacity of approximately 140,000 troy ounces of gold per year and employs about 300 people on a year round basis.

North Star Cement Limited

North Star began manufacturing cement in Corner Brook in 1952. Normal portland is the firm's main product of the dry processing facility, which has an annual capacity of 150,000 tonnes. Almost all of the cement produced is marketed in Newfoundland and Labrador. The operation is usually shut down for about four months each year because of weak markets.

Near the plant, the company operates limestone, and shale quarries which provide the main raw ingredients for the manufacture of cement. The gypsum used is trucked from Domtar Inc. in Flat Bay.

During the normal operating season approximately 100 people are employed.

Domtar Inc.

On January 1, 1990 St. George's Gypsum Mines Inc. was dissolved and Domtar Inc. became the operator of the Flat Bay mine.

Domtar operates two quarries. Gypsum from quarry B is shipped to Domtar's Newington plant and quarry C supplies other cement and gypsum wallboard markets.

The operation is usually down for about four months during the winter except for some stripping and overburden removal. Current capacity is approximately 500,000 tonnes per year.

Approximately 45 people are employed by the operation.

Newfoundland Resources & Mining Company Ltd.

The Newfoundland Resources & Mining Company Limited, a subsidiary of Explaura Holdings P.L.C. of England, has commenced the production phase of an aggregate operation on the Port au Port Peninsula. The project located at Lower Cove cost approximately $32,800,000.

Full scale production of four million tonnes of limestone is expected by the end of 1992. The stone will be shipped primarily to the eastern seaboard of the United States. Concrete and paving stone will be the main end uses.

Havelock Lime

Havelock Lime of New Brunswick began operating the Cormack quarry May 1, 1987. Havelock is a division of Dickenson Mines Limited, whose head office is in Toronto.

Havelock operates in accordance with the Agricultural Lime Supply Agreement between the Minister of Rural, Agricultural and Northern Development and Dickenson Mines Limited. The initial term of the agreement is from January 1, 1987 to December 31, 1991. Havelock produces 9,000 tonnes of bulk agricultural limestone each year and delivers the quantity required by Newfoundland farmers.

Mining is done under contract by C-MAC Construction of Cormack. Quarries limestone is milled by a small portable mill on site.

Capacity of the Cormack quarry is approximately 60,000 tonnes per year. Reserves are estimated to be from 13 to 14 million tonnes. Only 4 people are employed by the operation.

Trinity Brick Products Ltd. (1972)

Trinity Brick Products (1972) Limited manufactures 12 different types of bricks which meet both the Canadian and American standards. The company uses a dry press process using shale from its quarry at Random Island. It has a capacity of five million bricks per year.

The operation usually produces for 8 months of the year and employs 32 people.

Random Slate

Random Slate Inc. is owned and operated by Mr. John R. Hurley of Bay Roberts. Mr. Hurley holds a quarry permit and surface rights to the slate deposits at Nut Cove, Trinity Bay. His company has purchased the assets of Island Tile and Slate, the previous operator.

The company began limited production in 1990 and employs 9 people.

Newfoundland & Labrador Inuit Development Corporation

Newfoundland & Labrador Inuit Development Corporation operates a small quarry at Tabor Island which is south of Nain. The material is used by the Inuit to make art and craft items. The corporation is carrying out negotiations with an Italian company which is interested in using the labradorite as a dimension stone.

Baie Verte Mines Inc.

In 1982, Baie Verte Mines Inc. reactivated the old Advocate Mine under the ownership of Transpacific Resources Ltd. The operation has since changed hands twice and is now owned by Cliff Resources.

It operates on a year round basis and produces various grades of asbestos fibre. The operation is expected to close within the next few months as it is coming to the end of its economic life.

Employment levels at Baie Verte Mines Inc. average approximately 320 people per year.

Baie Verte Mines Reprocessing Inc.

Baie Verte Mines Reprocessing Inc. is owned by Princeton Mining Corporation. It commissioned a state-of-the-art asbestos processing plant at Baie Verte Mines Inc. during August, 1990. The "wet" milling operation reprocesses the tailings that have accumulated at Baie Verte Mines since 1963.

The "wet" mill is expected to have a life of 15-20 years and employ about 110 people annually.

Armstrong World Industries Canada Ltd.

Newfoundland Minerals, a subsidiary of Armstrong World Industries Inc. was incorporated in 1956 to operate a pyrophyllite quarry at Long Pond, Manuels.

Pyrophyllite is mined at the site and trucked to Long Pond for shipping. It is shipped in bulk to Lansdale, Pennsylvania, where it is used in the making of high quality ceramic tile.

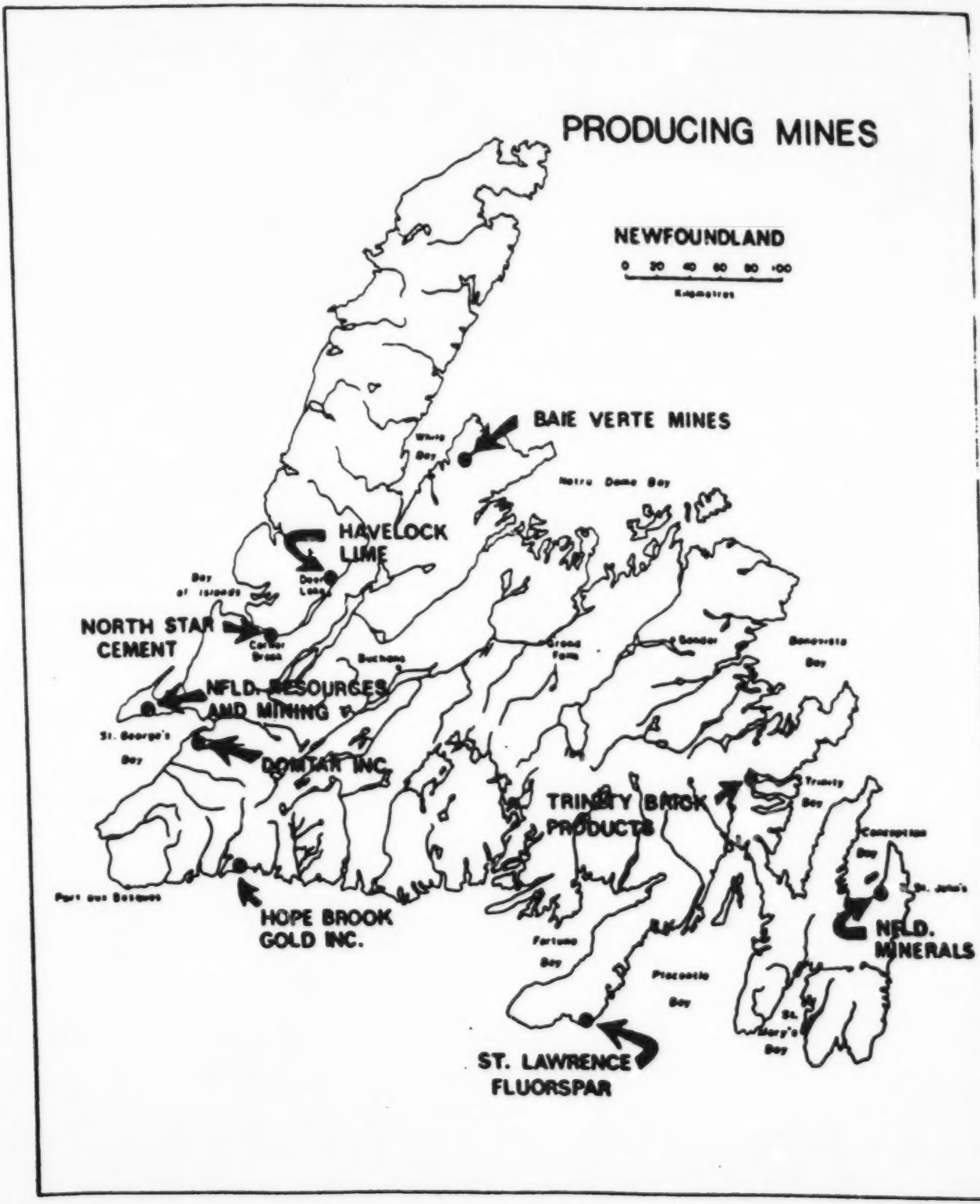
The company operates on a year-round basis. Between June and September, it produces pyrophyllite and during the remaining months it removes waste.

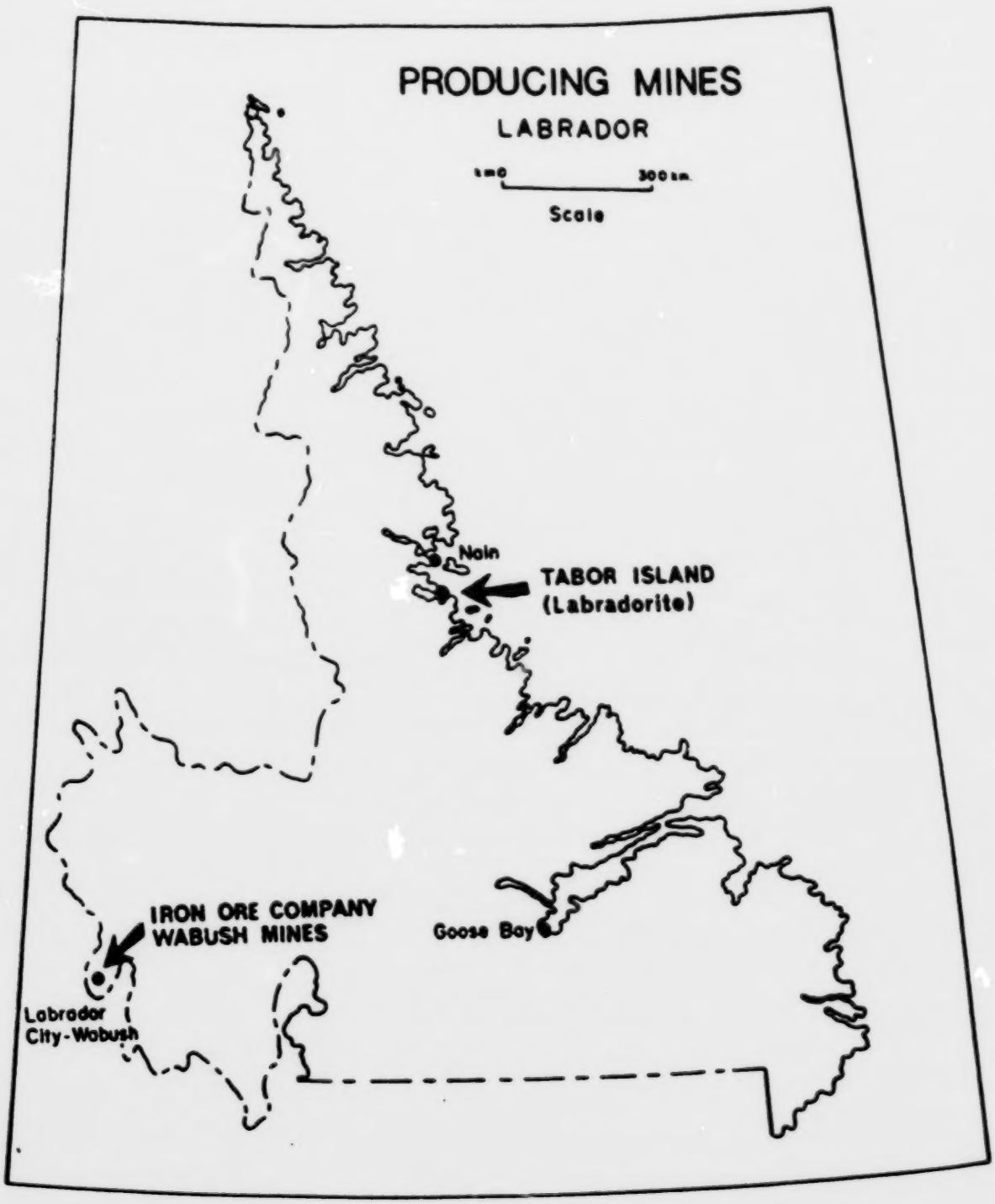
Employment has remained constant over the years at 17 people.

St. Lawrence Fluorspar Ltd.

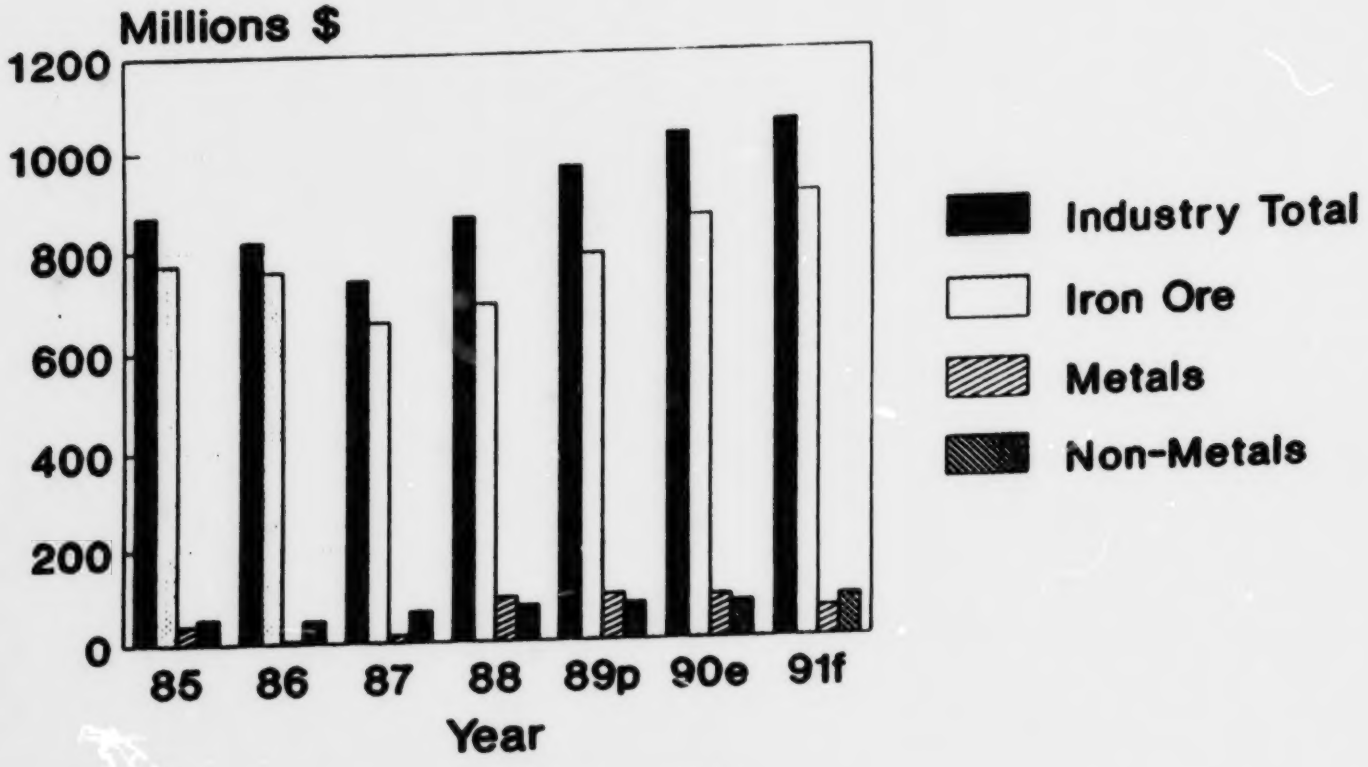
St. Lawrence Fluorspar Ltd., a subsidiary of Minworth Group PLC of the United Kingdom, has reactivated the former Alcan fluorspar mines at St. Lawrence. Production commenced in March, 1987.

The St. Lawrence operation produces acid-grade fluorspar with a plant capacity of about 85,000 tonnes per year. The operation consists of two underground mines, an open pit mine and a mill. It employs about 120 people. Most of the fluorspar produced is sold on the North American market.


PRODUCING MINES
NEWFOUNDLAND
0 20 40 60 80 100
Kilometres
BAIE VERTE MINES
HAVELOCK LIME
NORTH STAR CEMENT
NFLD. RESOURCES AND MINING
DOMTAR INC.
TRINITY BAY PRODUCTS
HOPE BROOK GOLD INC.
NFLD. MINERALS
ST. LAWRENCE FLUORSPAR

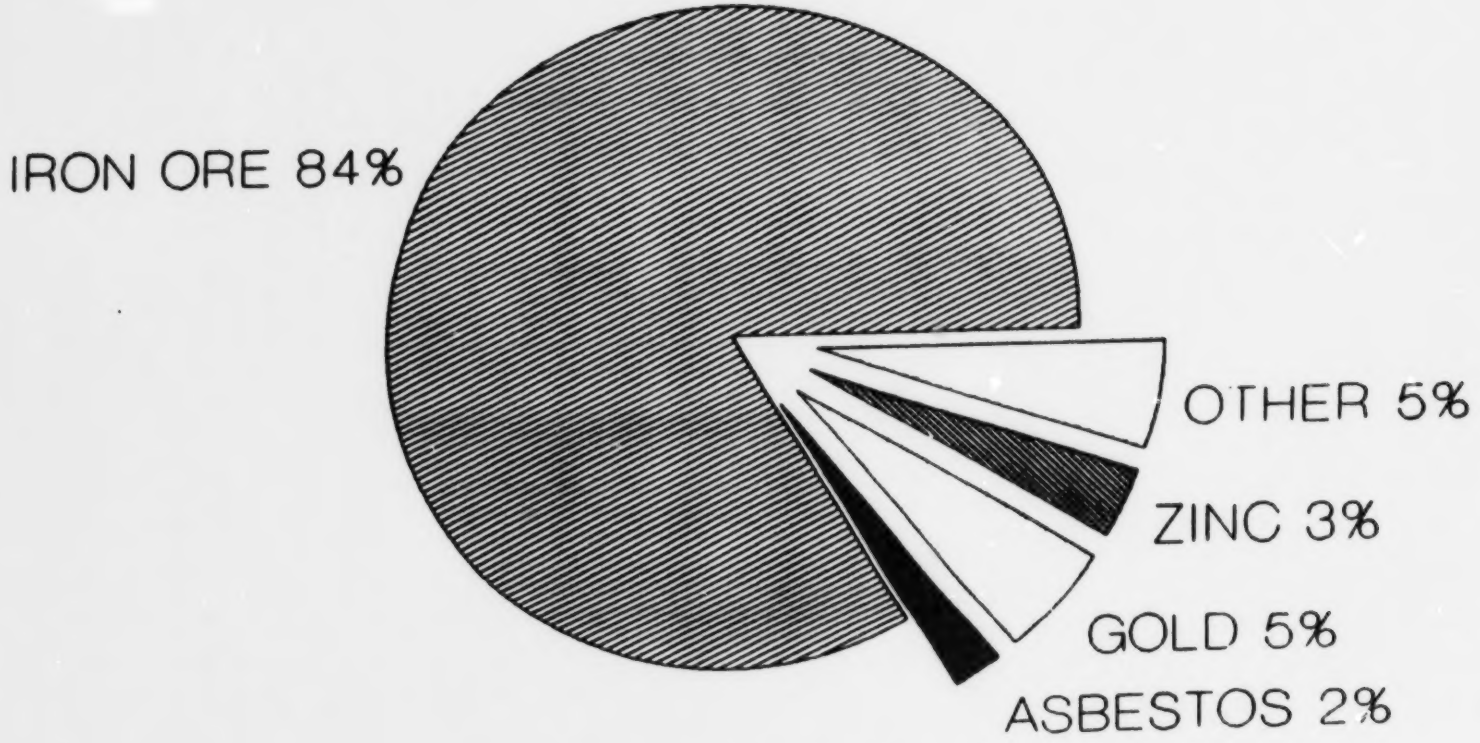

PRODUCING MINES
LABRADOR
1 cm
300 km
Scale
Nain
TABOR ISLAND
(Labradorite)
IRON ORE COMPANY
WABUSH MINES
Goose Bay
Labrador
City-Wabush

Newfoundland And Labrador
Value Of Mineral Shipments



Source: Energy, Mines & Resources
p:preliminary f:forecast

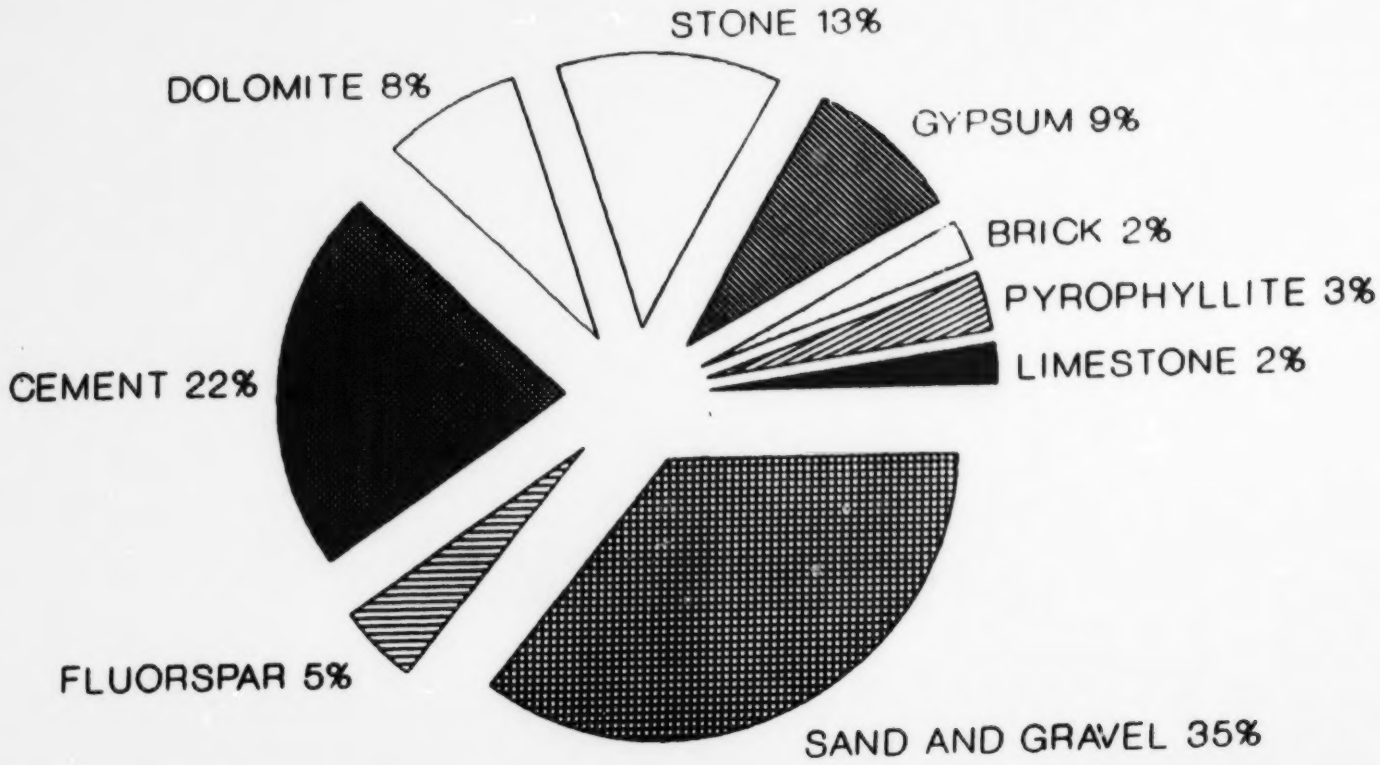
TOTAL INDUSTRY SHIPMENT PERCENTAGE, 1990*



Total Shipments: $1,028,642,000

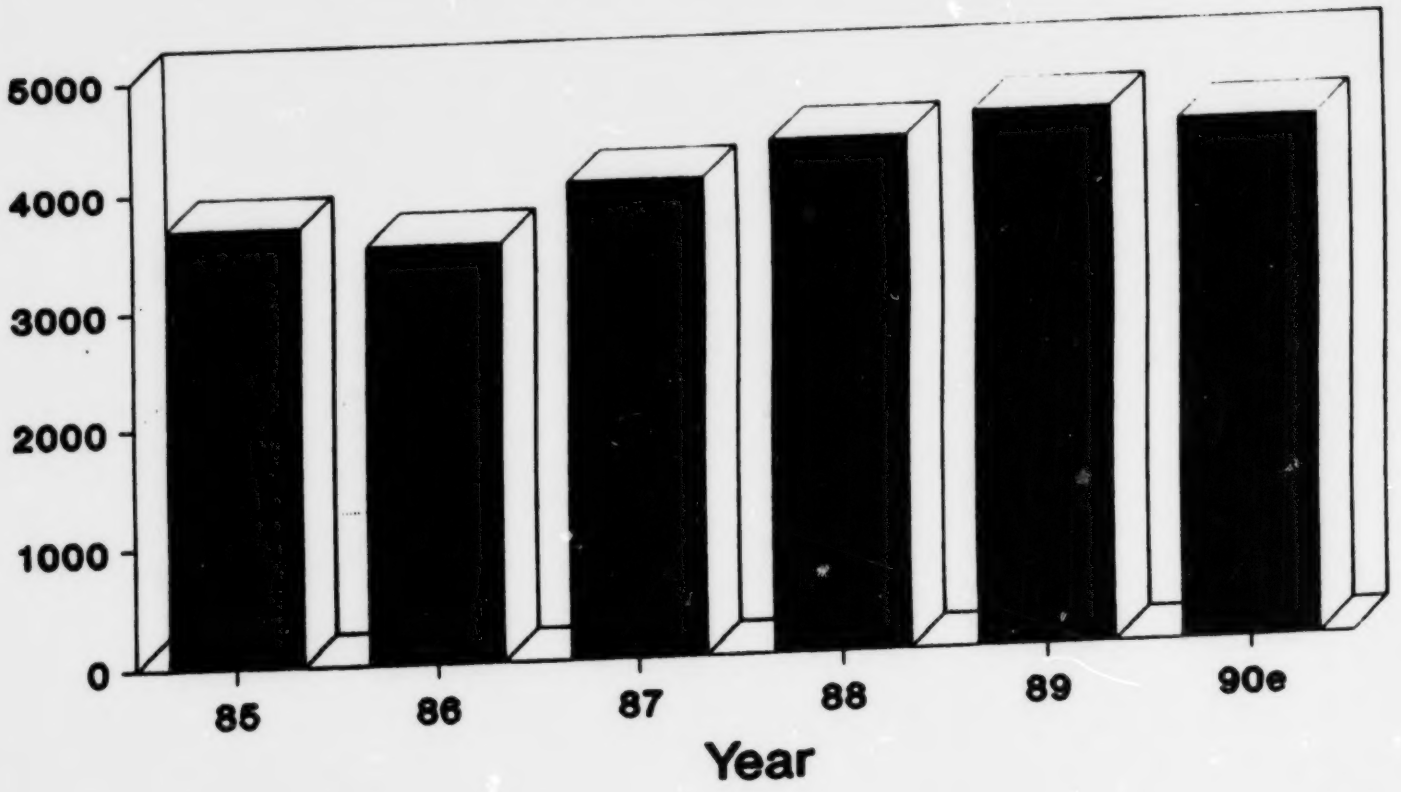
*** Preliminary**

BREAKDOWN OF "OTHER " CATEGORY 1990*



* **Estimate**

Newfoundland And Labrador
Yearly Average Employment



Source: Census Of Mines
e:Dept. of Mines and Energy Estimate